OverActive Media Reports First Quarter 2024

Strong Acquisition-Led Growth Drives OAM to Record First Quarter

May 27, 2024 (**TORONTO, CANADA)** – OverActive Media Corp. ("OverActive" or the "Company") (TSXV: OAM) (OTC:OAMCF), a global esports, and entertainment company for *today's generation of fans*, released its first quarter results for the three month period ended March 31, 2024. The Q1 2024 financials include the impact of one month of financial performance from the recent acquisitions of Movistar Riders and KOI, which closed on March 1, 2024. All amounts are in Canadian dollars ($).

Q1 2024 Financial Highlights

- Revenue for the three months ended March 31, 2024 increased by over $2.0 million, or approximately 126%, reaching $3.7 million compared to the same period in the prior year. The revenue increase was related to several factors including:
    - the acquisitions of Riders and KOI that closed on March 1, 2024; representing one month of combined financial results.
    - a positive contribution from Movistar KOI, the VALORANT Champions Tournament EMEA team that was transferred to OAM in connection with the KOI acquisition; and
    - a change in estimate to record league revenues on a straight-line basis as certain league revenues contain minimum guarantees that can be evenly recorded throughout the period rather than during discrete quarters. This had a positive $0.9 million impact in the first quarter.
- Operating costs for the three months ended March 31, 2024 amounted to $6.2 million, representing an increase of $0.9 million or approximately 16% compared to the same period in 2023. The increase is due to the expenses related to the acquisition of Movistar Riders and KOI, partially offset partially by lower costs in the core OAM business.

- Adjusted EBITDA[i] loss for the three months ended March 31, 2024 was $1.8 million, showing an improvement of approximately 51% compared to the adjusted EBITDA loss of $3.7 million for the same period in 2023. This improvement is due to the factors highlighted above.
- As at March 31, 2024 the Company had cash and cash equivalents of $10.1 million, compared with $13.9 million as at December 31, 2023. The decrease in cash reserves is a result of the negative EBITDA on the quarter alongside incremental operational costs related to the Movistar Riders and KOI. A significant factor in the Company's cash reduction during the quarter was a $1.9 million VAT payment related to the acquisition of KOI. The Company expects a VAT rebate for the total amount in fiscal 2024.

Selected Q1 2024 Achievements

- The Company acquired esports organizations KOI and Movistar Riders, forming a global esports powerhouse. These acquisitions align with OverActive's expansion strategy in Spain, EMEA, and Latin America had an immediate and positive contribution to the Company's adjusted EBITDA in the first month of the quarter.
- OverActive welcomed Gabriel Saenz de Buruaga and Gerard Piqué to its board of directors as part of the acquisitions of Movistar Riders and KOI.
- OverActive received Riot Games' approval for the transfer of the VALORANT Champions Tour EMEA team participation agreement from KOI to OverActive Media.
- The MAD Lions KOI League of Legends EMEA Championship match on February 18th became the most-watched LEC match since summer 2021, with 830,816[ii] peak viewers.
- The Company entered the Overwatch Champions Series (OWCS) and emerged as the Champions of Stage 1 and Stage 2 in North America and qualified for the first Overwatch Major in Dallas.
- Telefónica extended its partnership with Movistar Riders, resulting in the largest financial partnership in OverActive's history.
- OverActive renewed its relationship with Scuf Gaming and signed a new partnership with the emerging lifestyle and gaming brand Blacklyte.

Significant Announcements Subsequent to Quarter End

- On April 16, 2024, the Company entered into a new long-term agreement with the Call of Duty League. Under the terms of the agreement, the Company will receive a termination payment of approximately $2.8 million from Activision Blizzard. All outstanding entry fees totaling approximately $35.2 million were eliminated. This will be reflected in OAM's financial statements for the second quarter of 2024.
- The Company announced that Neil Duffy has joined as Chief Commercial Officer, Americas.
- OverActive signed new partnerships with Monster Energy, Cupra, Mahou and OWO.

"Our first quarter of 2024 marks significant progress for OverActive Media as we continue to execute our strategic growth initiatives," said Adam Adamou, CEO of OverActive. "We are thrilled to report that the acquisition of KOI and Movistar Riders has, as expected, immediately and positively impacted our results. Beyond the numbers, they have expanded our footprint in Spain, EMEA, and Latin America, strengthening our position as a global esports powerhouse."

Mr. Adamou continued, "Our performance continues to improve, with record revenues driving improved Adjusted EBITDA, supported by a strong cash position. Additionally, our new agreement with the Call of Duty League will further bolster our cash reserves while eliminating $35 million in contracted liabilities."

The Company's consolidated unaudited financial statements, notes to financial statements, and Management's Discussion and Analysis for the three-month period ended March 31, 2024, are available on the Company's website at www.overactivemedia.com and under the Company's profile on SEDAR at www.sedarplus.ca.

Conference Call

The Company will conduct a conference call tomorrow, Tuesday, May 28, 2024 at 9:00 a.m. (Eastern Time) to review the fourth quarter results, as well as provide an overview of the Company's recent milestones and growth strategy.

To access the conference call without operator assistance, please register and enter your phone number at https://emportal.ink/4aBYVWq to receive an instant automated callback. To dial directly to be entered into the call by an operator, please dial 1-888-390-0605, or for international callers, 416-764-8609. A replay will be available shortly after the call and can be accessed by dialing 1-888-390-0541 or, for international callers, 416-764-8677. The entry code for the replay is 981802#. The replay will expire on Tuesday, June 4, 2024.

A live conference call webcast can be accessed on OverActive's website at www.overactivemedia.com or directly via https://app.webinar.net/woOZxynpavn. An online webcast archive will be available via the same link for 90 days following the call.

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ABOUT OVERACTIVE MEDIA

OverActive Media Corp. (TSXV: OAM) (OTC:OAMCF) is headquartered in Toronto, Ontario, with operations in Madrid, Spain and Berlin, Germany, is a premier global esports and entertainment company for today's generation of fan. OverActive owns team franchises in professional esports leagues, including the Call of Duty League, operating as the Toronto Ultra, the League of Legends EMEA Championship (LEC), operating as MAD Lions KOI, the VALORANT Champions League (VCT) EMEA, operating as Movistar KOI and other professional esports leagues and competitions.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of OverActive with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes information regarding the anticipated financial and operating results of OverActive in the future.

Investors are cautioned that forward-looking statements are not based on historical facts but instead OverActive management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although OverActive believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the OverActive. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the following: the potential impact of OverActive's qualifying transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation; the risks and uncertainties associated with foreign markets; the ability of the Company to continue to execute on its existing partnerships and business strategy; the ability of the MAD Lions and Call of Duty Leagues to maintain viewership; the successful completion of the Company's new venue; and other risk factors set out in OverActive's most recent annual information form and its other filings with Canadian securities regulators, copies of which may be found under OverActive's profile at www.sedarplus.ca. These forward-looking statements may be affected by risks and uncertainties in the business of OverActive and general market conditions, including COVID-19.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although OverActive has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. OverActive does not intend and do not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

NON-IFRS MEASURES

This press release includes references to adjusted EBITDA. Adjusted EBITDA is a non-IFRS financial measure and is defined by the Company net income or loss before income taxes, finance costs, depreciation and amortization, decrease in net present value of franchise obligations, foreign exchange gains / loss, assistance payments from Franchise League and government assistance, restructuring and business development costs, impairment charges, and share-based compensation. We believe that adjusted EBITDA is a useful measure of financial performance because it provides an indication of the Company's ability to capitalize on growth opportunities in a cost-effective manner, finance its ongoing operations and service its financial obligations.

This non-IFRS financial measure is not an earnings or cash flow measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Our method of calculating such a financial measure may differ from the methods used by other issuers and, accordingly, our definition of this non-IFRS financial measure may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

A reconciliation of Adjusted EBITDA to net income/loss may be found in the Company's Management's Discussion and Analysis for the three-month periods ended March 31, 2024.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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[i] Adjusted EBITDA is a non-IFRS measure. Refer to "Non-IFRS Measures" at the end of this press release.

[ii] https://escharts.com/tournaments/lol/lec-winter-2024